

Message Text

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PAGE 01 STATE 072100
ORIGIN XMB-04

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APPROVED BY ARA/AND:ASCFULLER
XMB: R D CRAFTON
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-----072229 211601Z /53

P 211527Z MAR 78
FM SECSTATE WASHDC
TO AMEMBASSY LIMA PRIORITY

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E.O. 11652: N/A

TAGS: EFIN, PE

SUBJECT: EXIMBANK POSTURE IN PERU

REF: LIMA 0330, 0369, 0881; STATE 030088

1. REFERENCED COMMUNICATIONS FROM AMEMBASSY LIMA
REFER TO THE BAYOVAR PETROCHEMICAL PROJECT, AN ELECTRIC
ENERGY DISPATCHING CENTER FOR ELECTROPERU, AND THERMAL
GENERATOR UNITS FOR AREQUIPA, RESPECTIVELY. IN EACH
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CASE, AMEMBASSY SUPPORTS FAVORABLE EXIMBANK CONSIDERATION
TO ASSIST U.S. SUPPLIERS INVOLVED IN THESE PROJECTS.
DETAILS ON SPECIFIC PROJECTS (SOME CONTRARY TO THOSE
INCLUDED IN THE REFERENCED TELEXES) ARE AS FOLLOWS:
A) EXIMBANK'S PRELIMINARY COMMITMENT NO. 76-0-3726
IN FAVOR OF THE LUMMUS COMPANY AND BECHTEL TO ASSIST
WITH FINANCING A FEASIBILITY STUDY AND BASIC ENGINEERING
DESIGN FOR THE BAYOVAR PETROCHEMICAL COMPLEX EXPIRED
APRIL 15, 1976. SUBSEQUENTLY, EXIMBANK OFFERED ASSISTANCE

THROUGH OUR COMMERCIAL BANK GUARANTEE PROGRAM TO
ASSIST SOLELY WITH THE FEASIBILITY STUDY TO BE PREPARED
BY EITHER OF THESE COMPANIES. CONTRACT OF SALE DATE
FOR THE LUMMUS PROPOSAL EXPIRED SEPTEMBER 30, 1977
AND FOR THE BECHTEL PROPOSAL ON JANUARY 31, 1978 FOLLOWING

A ONE MONTH EXTENSION. THE BANK HAS ASSURED BOTH
BECHTEL AND LUMMUS OF ITS INTEREST IN KEEPING CURRENT
ON THE BAYOVAR PROJECT AND RECONSIDERING ASSISTANCE
AT SUCH TIME AS CONDITIONS SO WARRANT; B) EXIMBANK
HAS NOT HELD DISCUSSIONS ON THE ELECTROPERU ELECTRIC
ENERGY DISPATCHING CENTER TO DATE; C) THE AREQUIPA
THERMAL GENERATING REQUIREMENT IS ALSO A TRANSACTION
THAT HAS NOT BEEN DISCUSSED WITH EXIMBANK.

2. AS INDICATED IN TELEGRAM TO AMBASSADOR SHLAUDEMAN
FROM EXIMBANK CHAIRMAN MOORE (STATE 030088), EXIMBANK
IS FOLLOWING A RESTRICTIVE ATTITUDE TOWARD NEW PROJECTS
IN PERU. IN LIGHT OF THE CONTINUED CRITICAL FOREIGN
EXCHANGE SITUATION WITHIN THE COUNTRY, THE BANK IS
CLOSELY MONITORING THE PERUVIAN ECONOMIC SITUATION.
AT SUCH TIME AS SUBSTANTIVE IMPROVEMENTS HAVE TAKEN
PLACE, THE BANK WILL, OF COURSE, REEXAMINE ITS COUNTRY
POLICY TOWARD PERU. THE ABOVE-DESCRIBED PROJECTS
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REPRESENT MAJOR INVESTMENTS WHICH WILL DEPEND UPON
CONSIDERABLE IMPROVEMENT WITHIN THE PERUVIAN ECONOMY
TO ASSURE THEIR SUCCESS. VANCE

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEVELOPMENT LOANS, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Draft Date: 21 mar 1978
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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Original Classification: LIMITED OFFICIAL USE
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